

## HUD PROPOSES MAJOR CHANGES TO RESPA

HUD has proposed sweeping changes to the rules implementing RESPA. The proposal would make numerous and significant changes to the disclosure of mortgage broker and mortgage lender charges. The proposal would provide for "packaged" settlement services with guaranteed pricing. We encourage mortgage brokers and lenders to review the proposal and submit their comments to HUD. For a copy of the proposal, see <http://www.hud.gov/www.hud.gov> or contact Franzen and Salzano, P.C.

## AMENDMENTS TO REGULATION C/HMDA

The Federal Reserve Board has finalized certain tentative amendments to Regulation C (implementing the Home Mortgage Disclosure Act ["HMDA"]). The Board addressed the previously tentative requirement that lenders report the rate "spread" between the treasury rate and the APR, finalizing the amount (which had been set tentatively) at 3% for first lien loans and at 5% for second lien loans. Lenders should use the HOEPA "application date rule."

The Board has also finalized its requirement that lenders report the lien status on loans or applications but in the final analysis, the Board decided not to apply this requirement to purchased loans.

The Board will now require the collection of certain government monitoring information (race, gender, sex) for telephone applications. While all the other amendments to Regulation C will become effective January 1, 2004, this amendment becomes effective January 1, 2003.

## STATE TAX PLANNING

We have been introduced to a service that may benefit your company and help save you money. Gunther

### Announcement!!!

We are pleased to announce the birth of **Carlo Salzano Vanni** on May 21st. Carlo weighed in at 7 pounds 11 ounces and is 20 $\frac{1}{4}$  inches long. Both Mother and baby are doing well. **Congratulations to Loretta and Rob!**

Wewers, a CPA, has been providing state tax planning services for financial services companies for the past seven years. For more information, contact Gunther at (770) 396-3809.

## COMPLIANCE SEMINAR FOR GEORGIA FAIR LENDING ACT

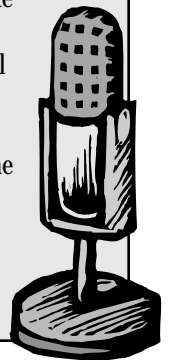
**Franzen and Salzano, P.C., in conjunction with the Mortgage Bankers Association of Georgia, is sponsoring a seminar regarding compliance with the new Georgia Fair Lending Act.** The program will be held at the South Terraces Auditorium at the Perimeter Center Place in Atlanta, Georgia from 9:30 a.m. to 1:00 p.m. on August 15, 2002. Please see the Mortgage Bankers Association of Georgia's website at [www.mortgagemag.com](http://www.mortgagemag.com) for registration information.

**September 5, Franzen and Salzano, P.C. will present Georgia Fair Lending Act compliance training in conjunction with The Capstone Institute.** Please contact either us or The Capstone Institute for further information. Refer to Capstone's website at [www.capinst.com](http://www.capinst.com) to register.

## "TALKING THE TALK"

Terry Franzén will be speaking at a number of venues over the next several months concerning Georgia's new Fair Lending Act. In **July**, she will address the Annual Agent Meeting for Old Republic Title Company in Atlanta. On **August 15th**, she will speak at a seminar cosponsored by Franzen and Salzano, P.C. and the Mortgage Bankers Association of Georgia. Also in August, she will address the Georgia Real Estate Closing Attorneys Association. In **September**, she will speak to the Association of Professional Mortgage Women. She will also address the Georgia Council for Financial Literacy in **September**. In **October**, Terry will speak at the NHEMA Attorney's Round Table regarding federal regulatory compliance.

Loretta will address the Southeast Mortgage Brokers Association on **October 16-18**.



## STATES IN BRIEF

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### COLORADO

Most provisions of Colorado's new anti-predatory lending legislation will become effective on January 1, 2003. The new law's APR trigger is the same as in HOEPA, but the points and fees threshold is 6%.

### CONNECTICUT

Connecticut has adopted changes to its first mortgage loan licensing law so that loan originators must be licensed, effective October 1, 2002.

### DISTRICT OF COLUMBIA

The District of Columbia has repealed prior predatory lending legislation and has adopted new predatory lending legislation, which will become effective sixty days after regulations are adopted. Proposed regulations are currently pending.

### IDAHO

Effective July 1, 2002, Idaho removed the territorial exemption for out of state lenders from its Credit Code.

### MARYLAND

Maryland has enacted predatory lending legislation with triggers mirroring HOEPA.

### OKLAHOMA

Oklahoma has changed its mortgage broker licensing law to require loan originator licenses and remove certain licensing exemptions.

## UTAH

Utah has amended its Mortgage Practices Act and Residential Mortgage Act to, among other things, remove certain licensing exemptions.

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## GEORGIA DEPARTMENT OF BANKING ISSUES "Q&A" ON GEORGIA'S NEW FAIR LENDING LAW

The Georgia Department of Banking has posted answers to frequently asked questions on the Department's web site at [www.ganet.org/dbf/publications.html#gafila](http://www.ganet.org/dbf/publications.html#gafila). Questions regarding the new Georgia Fair Lending Act can be e-mailed to the Department at [gaff@dbf.state.ga.us](mailto:gaff@dbf.state.ga.us). Please contact Franzen and Salzano, P.C. for further information concerning Georgia's new fair lending law.

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## TCPA ARTICLE

Industry participants using automatic telephone dialing systems, beware of the Telephone Consumer Protection Act, 47 U.S.C. §227. The TCPA prohibits unsolicited telephone calls, faxes, and pre-recorded voice messages made to consumers using an auto dialer under certain circumstances. The penalty per call can vary from \$500.00 to \$1,500.00! **OUCH!** Feel free to contact us for further information on the TCPA.

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### **Publisher's Note:**

*Points of Interest* is published by Franzén and Salzano, P.C. for clients and colleagues in the lending industry and should not be construed as legal advice. The contents are for general information purposes only. You are urged to consult legal counsel concerning any specific situation or legal issue.

Visit Franzén and Salzano's corporate website at [www.franzen-salzano.com](http://www.franzen-salzano.com)

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